

GENOVA & MALIN
Attorneys for the Debtor
1136 Route 9
Wappingers Falls, NY 12590
(845) 298-1600
Thomas Genova, Esq. (TG4706)
Andrea B. Malin, Esq. (AM4424)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
POUGHKEEPSIE DIVISION

-----X
IN RE:

CHAPTER 11

DIAMOND HORSE DEVELOPERS, INC.,

CASE NO. 10- (CGM)

Debtor.

AFFIDAVIT UNDER LOCAL
BANKRUPTCY RULE 1007-2

-----X
STATE OF NEW YORK)
)S.S.:
COUNTY OF DUTCHESS)

MICHAEL SPACCARELLI, being duly sworn, deposes and says:

1. That he is the president of the debtor corporation herein and makes this Affidavit pursuant to Rule 1007-2 of the Rules of this Court.

2. That there is no other or prior Bankruptcy Proceeding filed by or on behalf of the corporation.

3. That the names and addresses of all the known creditors are attached to the debtor's Chapter 11 petition.

4. The debtor is not involved in any lawsuits now pending, aside from those listed in the Chapter 11 Petition at Statement of Financial Affairs, Question #4.

5. That there is no property of the debtor in the possession or custody of any public officer, receiver, trustee or assignee for the benefit of creditors, mortgagee pledge or assignee or rents.

6. The debtor has no shares of stock, debentures or other securities which are publicly held.

7. The estimated amount of the weekly payroll to employees of the debtor is \$0.00.

8. The estimated operating expenses for a period of thirty (30) days following the filing of

the Chapter 11 petition is estimated to be \$0.00.

9. It is estimated that the debtor will not make a profit from this business operations for a period of thirty (30) days following the filing of the Chapter 11 petition.

10. The debtor's financial difficulties have been caused by the following circumstances:

The debtor owns certain real property in the Town of Poughquag, County of Dutchess and is involved in a contractual dispute regarding same. The debtor believes that its creditors would be better served by resolution of the dispute before the Bankruptcy Court.

11. The debtor's first day Orders include retention of counsel pursuant to 11 U.S.C. §327. The debtor will not be filing a Motion for an Order Authorizing Payment of Wages to Employees pursuant to Bankruptcy 9014 and 11 U.S.C. §§ 105 and 507 as the debtor has no employees.

12. It is respectfully submitted that the best interest of the creditors, the debtor and the community it would be a service in allowing the debtor to continue its business. Otherwise, in the event of liquidation, unsecured creditors would receive little if anything in the way of a dividend. If the operations are continued and a Plan can be negotiated with creditors, the results will be the rehabilitation of the debtor. For all of the above reasons, the debtor desires to continue the operations of its business.

DIAMOND HORSE DEVELOPERS, INC.

By: /s/ Michael Spaccarelli
Michael Spaccarelli, President

Sworn to before me this
10th day of August, 2010

/S/ Jamie L. Lakin
Jamie L. Lakin
Notary Public, State of New York
Residing in Ulster County
Commission Expires 5/17/2012